GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3997
ANSWERED ON:14.12.2001
ADVISORY GROUP FOR BANK BOARDS
UMMAREDDY VENKATESWARLU;VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has set up a 12 Member Advisory Group to strengthen the supervision role of bank boards;

(b) if so, the term of reference of the Advisory Group; and

(c) the time by when it is likeiy to submit its report?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) Yes, Sir. RBI has set up a 12 Member Consultative Group to strengthen the internalsupervisory role of bank boards on 15th November, 2001.

(b) The terms of reference of the Group set up by RBI are as under:â€”

(i) To review the supervisory role of the Boards of banks/financiai institutions and to obtain feedback on the functioning of the Boards vis-a-vis compliance,transparency, disclosures, audit committee etc.

(ii) To study the system prevalent in banks/financial institutions for monitoring by the Board,the implementation of the policies laid down by it.

(iii) To make recommendations for making the role of Board of Directors more effective with a view to minimising risks and over-exposure.

(iv) Any other matter relevant to the subject.

(c) RBI has requested to group to submit the Report within three months.